

1 **CHRIS ANDERSON, EXECUTIVE DIRECTOR, ILLINOIS COUNCIL ON**
2 **COMPULSIVE GAMBLING**

3
4 CHAIRMAN JAMES: Thank you, and let's begin. And we
5 will start with Mr. Anderson.

6 MR. ANDERSON: Thank you. I deeply appreciate being
7 invited to testify at this Commission meeting. My name is Chris
8 Anderson. I wear a number of different hats in this field. I am
9 Executive Director of Illinois Council on Problem and Compulsive
10 Gambling. We are the Illinois State affiliate of the National
11 Council on Problem Gambling. We have over 35 affiliates in
12 states around the country. I might add, as a bit of an
13 advertisement, we are hosting the National Council on Problem
14 Gambling annual conference in Las Vegas this year, the third week
15 of June, June 20, 21 and 22, where we address issues of problem
16 and compulsive gambling all over the world. We'll have
17 international speakers in for that conference.

18 I also am a marriage and family therapist. That was
19 my chosen profession until I left that in the early 1980's and
20 became a retail stockbroker, and in the process of that
21 discovered gambling in the markets. I was fascinated with the
22 discussion on the securities market yesterday because 100 percent
23 of my gambling took place in the securities market.

24 When I set out to make a career for myself, what I
25 succeeded in doing was destroying my life, my family's life,
26 bankruptcy, losing a home to foreclosure and walking around in
27 circles in a state psychiatric hospital facility. So as a
28 marriage and family therapist, I gambled away my marriage and my
29 family, and as a financial professional, I went broke. So I

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1 didn't do so well in the early parts of my life. That's the
2 major reason why I'm here today, because a power greater than
3 myself saw fit to pick up the pieces of my life that I had
4 broken, and put those back together for some purposes greater
5 than my own self and my own ego needs to make a fortune.

6 I am privileged to work with compulsive gamblers in
7 many different ways. I have a very active private practice as a
8 clinician, where I work almost exclusively with compulsive
9 gamblers and their families. I also train mental health
10 professionals all over the United States and Canada in diagnosis
11 assessment and treatment. Everybody who testified yesterday from
12 various states, various communities, we have been in there
13 training professionals with varying degrees of success. And I
14 also work as a forensic expert. I testify in Court on legal
15 proceedings on behalf of compulsive gamblers and their families,
16 addicts who have crossed the line into illegal activity because
17 of their gambling.

18 By the way, I'm also very involved in the political
19 process which is kind of a default. I'd rather not do that.
20 It's very draining and it tends to distract me from what I really
21 want to be doing which is working with compulsive gamblers, but
22 that's been part of it. It helps me to understand what we're
23 dealing with when I think in terms of the addiction of compulsive
24 gambling.

25 It seems to me that we as a society are addressing
26 this issue as addicts in denial. For example, one
27 characteristic, the primary characteristic of the addiction is --
28 and I'll read from the DSM-4 criteria -- the need to gamble with
29 increasing amounts of money to achieve the desired level of

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1 excitement. With all the Powerball publicity, it's interesting
2 to note, maybe five or six years ago we would see newspaper
3 stories when we had a \$10 million jackpot.

4 And if we had been sitting here doing this Commission
5 that many years ago, maybe seven years ago, maybe eight, I don't
6 know what the numbers are, we'd be talking about the \$10 million
7 jackpot. I want you to know nobody stands in line for \$10
8 million anymore. Nobody stands in line for 20, 30, 40, \$50
9 million. It takes an increasing amount of money in the jackpots
10 in order to get our collective attention, in order to get our
11 collective juices flowing such that those numbers appear in the
12 media.

13 Now, the other end of any addiction is the need for
14 immediate gratification. I think it's no accident that the bulk
15 of the lottery revenues come from the quick picks, the instant
16 scratch offs or the immediate gratification games. That's where
17 the bulk of the lottery revenues come from. So we can see, just
18 in the progression of the state lotteries, we can see one of the
19 primary manifestations of the addiction in our society.

20 The other manifestation of any addiction is denial
21 and minimization. I think it's very interesting to sit in the
22 audience and to read reports from economists who present economic
23 surveys, and we've got the Tribune article that's been referred
24 to several times yesterday about the economic reports that was
25 presented, and it very clearly says that what was eliminated is
26 the cost of problem and compulsive gambling.

27 Now, what any addict does is we either completely
28 deny that the problem exists or we say yes, there's a problem and
29 that's all the farther we go with it, then we look in other

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1 directions. I think that's what happened with the states,
2 specifically the State of Illinois. You have in your Exhibit
3 packet, for example, a copy of the 1991 annual report and
4 wagering study, page number three in your Exhibit. This report
5 has eleven and a half pages of text and starting on page seven,
6 the whole text concerns the issue of problem gambling. This is
7 the State of Illinois, 1991. And it says specifically, section 5
8 C11 of the Riverboat Gambling Act requires the Board to review
9 the pattern of wagering and wins and losses by customers of the
10 riverboat casinos, and then skip down, in order to protect people
11 from gambling beyond their means.

12 Today the State of Illinois does not spend one single
13 dime to address the issue of problem and compulsive gambling.
14 Here we are in 1998, there was a one time allocation three or
15 four years ago, but today there is nothing spent. It also says
16 the most effective way for gaming operators to deal with
17 pathological gamblers is by placing those persons in a meaningful
18 therapy program rather than by imposing loss limits. I'm not
19 sure it's the responsibility of the gaming industry to be in
20 charge of placing compulsive gamblers in treatment programs. But
21 clearly, wherever I've been in the United States and Canada, the
22 most effective programs involve treatment dollars for compulsive
23 gambling.

24 What I'm saying to you is that another characteristic
25 of any addiction is talking the talk and not walking the walk.
26 The talk has been there. However, the actions to follow up the
27 talk has been lagging far behind or in some cases, it's non-
28 existent. For example, in my written testimony I refer to a
29 single question. I'm not an economist. I don't know how to get

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1 at all the complex answers. But I can tell you, in response to
2 several of the mayors that were testifying yesterday, where they
3 talked about win, win, win, win. It is the nature of any bet
4 simply that there is at least one winner and at least one loser.
5 By definition that is what constitutes a wager.

6 Now, what happens is when we focus on the win side,
7 either individually or collectively, we feel good. People win,
8 it feels good, we have jobs, we have economic growth which some
9 people I guess would argue, but clearly there are jobs provided.
10 We heard from a number of those people yesterday. That is true,
11 it is all there in the same way that in the course of my gambling
12 there were many times that I won. That simply happens. That's
13 the nature of the animal.

14 But there is also the other side which is the loss
15 side. What happens is when we focus on the loss side, when the
16 addict begins to focus on the loss side, they don't feel good.
17 It hurts, it's painful. We're a society of pain avoiders.
18 That's the nature of an addiction. So my simple answer to why
19 the economists don't focus on this I think is because it hurts,
20 collectively it hurts. It hurts for us to take a look at
21 answering the question, how much does it cost, for example, the
22 State of Illinois to prosecute and incarcerate compulsive
23 gamblers.

24 Now, nobody has reduced the revenue by the \$800,000
25 that an individual gambled away at one of our local casinos over
26 the last couple of years and ended up killing herself three weeks
27 ago. I had talked to them about being there, the survivors, but
28 they are not in a place to do that. Nobody has figured in the
29 balance sheet, the quarter of a million dollars that an

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1 individual stole and gambled 100 percent of that away at one of
2 the casinos and then the same taxpayer who is deriving benefit
3 from that is also having to pay for the prosecution and now the
4 incarceration cost of it. Those numbers are not subtracted.

5 It is as if what we do is we count all the deposits
6 and do not count the checks that we're writing out of our
7 checkbook. If I did that personally, you would call me fiscally
8 negligent. If the CFO of your corporations did that, you would
9 fire them and either they're civilly negligent or they'd be
10 criminally negligent.

11 What happens is in many cases we're operating a
12 business either without any liability insurance or we are
13 seriously under-insured. So my simple question, why don't we
14 know the answer to the question of how much the State of Illinois
15 spends to prosecute and incarcerate and furthermore, why are we
16 even unwilling to ask that question.

17 I said before, in Illinois, there was a panel just
18 like this two years ago asking these questions. There was no
19 report issued out of that panel. There was no follow up. There
20 was nothing. And I asked them the same question. I can count the
21 compulsive gamblers that I personally have represented in a
22 forensic capacity in Court that the cost to the taxpayer exceeds
23 \$1 million, and that's just several. How more are out there that
24 I don't know about?

25 So one of the things that we did, we proposed a piece
26 of legislation. It was submitted to the Committee that was very
27 simple, and the legislation is in your Exhibit packet. It's
28 proposed that we set up four demonstration sites in the State of
29 Illinois, that in those sites it simply empowered the judges to

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1 order anyone accused of a paper crime, fraud, theft, forgery,
2 embezzlement, to undergo an assessment for pathological gambling.
3 How much simple could that be?

4 Now, that leads me into the issue of crime in the
5 measurement. The reason that public officials can come in front
6 of this panel and say there's been no increase in crime because
7 we've asked the police officials, is because we're not shining
8 the light in the right direction. We don't understand the nature
9 of the beast that we're dealing with.

10 Compulsive gamblers commit crimes such as fraud,
11 theft, forgery, embezzlement and they are not recorded on any
12 police blotter as gambling related. So it's not going to show up
13 in any of the crime data. If we're not shining the light in the
14 right direction, we're not going to see what it is that we need
15 to see. So we need to understand what the criminal activity of
16 this population is, which means you need to understand the
17 population. I don't think many of the economists understand the
18 nature of the population so they don't even know the right
19 questions to ask. That's why we don't have these kinds of
20 critical answers.

21 Suicide unfortunately is a by-product, we all know
22 that. That's real unpleasant to talk about. I think one of the
23 things that would be very critical for the Commission to do is to
24 empower experts in suicide and gambling to conduct a study of the
25 link between suicide and gambling. One of the mayors yesterday
26 was talking about a lawyer who committed suicide because of the
27 law practice.

28 I would submit to you that 15 to 20 percent of
29 lawyers do not commit suicide or attempt suicide. We know

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1 through all the studies, and you have also in there a copy of a
2 survey that Dr. Henry Lesieur and I did here in Illinois through
3 the Illinois Council in 1995, 194 compulsive gamblers, 16 percent
4 of that population attempted suicide; 45 percent had a definite
5 plan. What other clinical diagnostic category do we have where
6 half of the population has a definite plan on how to kill
7 himself? These are real unpleasant things to talk about. So
8 much so that most suicides, not only do they go unreported, but
9 they go unreported as suicides. So if we really want to
10 understand the nature of the animal, we have to take a look
11 specifically in that direction.

12 Another issue, gambling and the extension of credit.
13 There is not a single compulsive gambler that we work with that
14 has not gotten himself in trouble with the extension of credit.
15 It's very easy and maybe we ought to have some people from the
16 banking industry. I did a little experiment at my house. I kept
17 all of the credit card solicitations for a three month period of
18 time and then I moved and I threw them out before I totaled up
19 the amount. But my belief is that I probably had over three to
20 \$400,000 in available credit, that if I had signed all those --
21 and by the way, one of the ways I destroyed my life was with
22 credit cards. This was back in the early 1980's before the ATM.

23 So we had to take our credit card to the bank. They
24 would cut a bank draft and I had a whole series of banks up and
25 down Congress Avenue in Austin, Texas where I'd go to, just like
26 the alcoholic would have a whole string of liquor stores that
27 they would go into one after another because you don't want to be
28 in the same place twice.

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1 It is very common for the typical compulsive gambler
2 that we see to hold the equivalent of two, three, four times
3 their annual income in legal credit card debt alone. Again,
4 Henry Lesieur defined the spiral of options which simply means
5 that gamblers go through their own money, they go through
6 borrowed money, they go through stolen money or they sell
7 possessions then go through stolen money. One half of the people
8 in our survey ended up stealing money in order to finance their
9 gambling. There is a direct cost to the taxpayer.

10 One other case we testified in, there was an
11 individual who stole money in the construction business from
12 individuals, gambled 100 percent of it away on the state lottery.
13 So he stole money from you, gave it to the State of Illinois who
14 then used a part of that money to prosecute and incarcerate him
15 for stealing money from you and giving it to the state so they
16 could then use it to prosecute and incarcerate him for stealing
17 it from you, giving it to the state. It's all a big circle. And
18 yet if we simply count the win side of the equation, we're
19 missing one half of what's going on.

20 The industry has been, in the case of Illinois, more
21 responsible in the states and this state has been fundamentally
22 negligent in our opinion. The industry has provided money to
23 establish a program and we're struggling with definition of that
24 program. I think this is a very, very difficult issue for the
25 gaming industry to address. By the way, I think one of the
26 things we need to note from this is the change in names. What we
27 do with an addiction is we change the names.

28 For example, I was a speculative investor when I was
29 in action, then I realized I was a compulsive gambler. Then we

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1 changed the name and I realized I had a gaming problem, then we
2 changed the name and I realized all I have is an entertainment
3 problem because the legislation to legalize gambling in Cook
4 County has repetitively been titled as a bill to create a
5 metropolitan entertainment authority. So that's good news for me
6 as a recovering addict. I get better every time we change the
7 name. I don't have to do anything.

8 So we change the name and that seems to cloud what it
9 is that we're really talking about. Now, I think we've got
10 disordered gambling in the mix. So the industry response maybe
11 is something that we can talk about more if we have time to
12 dialogue. Thank you very much.

13 CHAIRMAN JAMES; Thank you.

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